

## NEW TAX REVISION SOUGHT BY MELLON

Income Surtax Rate Should  
Be 25 Per Cent. or Less,  
He Reports.

MORE ECONOMY URGED

Treasury Secretary Pleads  
Anew for Prompt Fund-  
ing of War Loans.

FINDS BUSINESS HELPED

Burdens Still Need Careful  
Adjustment for Equality,  
Is Recommendation.

WASHINGTON, Dec. 7.—Further revision of the tax laws, with a reduction of the maximum income surtax rate to 20 or 25 per cent., and adjustment of the rates on business profits and estates, is suggested by Secretary Mellon in his first annual report, transmitted to-day to Congress.

The Secretary says the Treasury's policy on deferment of the soldiers' bonus is unchanged. He urges prompt funding of the ten billions of foreign loans as "one of the outstanding needs of the present economic situation."

Mr. Mellon informs Congress that the maturity within the next eighteen months of \$6,750,000,000 of the short dated debt "makes it imperative that the Government pursue a policy of the utmost economy and avoid new undertakings that would throw additional burdens on the Treasury and embarrass the funding operations" with respect to the floating debt.

Revenue revision is the subject on which the Secretary lays the most stress. He says the changes in the tax law voted by Congress last month "give substantial relief to business and industry and restore in some measure the freedom of business transactions, but our system of taxation still requires careful and thoughtful consideration." He then proceeds to say that if the loss of revenue resulting from the reduction in surtax and other rates suggested cannot be made up "by rigid economy in expenditures" it can be met "either by placing a tax on certain specific articles or by a low rate general tax on a broad class of articles or transactions."

"It is of vital importance," Mr. Mellon declares, "that adjustment be made in our scheme of taxation whereby the burden will not fall unduly, whether directly or indirectly, upon any particular class and at the same time will not seriously interfere with productive industry and the general prosperity of the country."

"It would not seem either wise or necessary to change from our present system of taxation to new and untried plans. By retaining the income tax with reasonable surtax rates, which in past years ultimately should not rise above 10 per cent., taxpayers would still be required to contribute in proportion to their ability to pay; while by placing a certain amount of tax on specific articles or classes of articles or transactions at so low a rate that they could readily be borne without injury the income tax could be materially simplified, the tax laws could be more readily administered and at the same time the needed revenues would be raised without the evil effects now resulting from the present excessive rates of taxation."

"To reduce the surtax rates to a maximum of 25 per cent. and graduating the reductions through all the brackets would mean an apparent loss of about \$120,000,000 in revenue. A 20 per cent. maximum rate on the same basis would involve a revenue loss of about \$200,

## Jamaican Tariff Bill Affects U. S. Trade

KINGSTON, Jamaica, Dec. 7.—Government to-day introduced a tariff bill in the legislative Council under which preference of 5 per cent. is given all British manufactured goods. British cotton piece goods will obtain a preference of 50 per cent. and Canadian flour a preference of 25 cents a bag. These changes in the tariff, it is believed, will materially affect importations from the United States.

Other adjustments which should be made would probably involve an amount equal to that made in the surtax rates.

Discussing the proposed adjustment of the tax on business profits, Mr. Mellon suggests no specific rates but calls attention that the repeal of the excess profits tax made necessary an increase of 24 per cent. in the corporation income tax, and that this, with the capital stock tax, makes the total levy on corporations approximately 13 per cent. "When we remember," he writes, "that the great bulk of the business of the country, both large and small, is carried on under corporate form, and that the net income must largely be distributed in dividends and that these dividends are then in turn subject to surtax in the hands of persons receiving them, it is then at once seen that the resulting taxation to persons engaged in productive business is very heavy. For instance, a stockholder subject to surtax at 10 per cent. really pays about 25 per cent. on his dividends, while a stockholder subject to a 50 per cent. surtax would be taxed about 65 per cent. on such profits."

Referring to the oft repeated statement that the tax laws need simplifying, Mr. Mellon declares that the "greatest simplification that can be made is in the reduction of the rates." So long as the rates were low, he asserts, "there was not much difficulty in the law, even though the system was entirely new and the organization administering it unfamiliar with the operation of such a law."

## FRENCH FAVOR IDEA OF TARIFF COMMISSION

Chamber of Commerce Official Says It Is Big Step.

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President Harding's proposal to extend greater discriminating powers to the Tariff Commission, while it has not yet aroused an official opinion, has the hearty approval of French commercial interests. In talking to THE NEW YORK HERALD correspondent one of the highest officials of the Chamber of Commerce here, who, incidentally, is a heavy exporter and importer, declared that the matter would be brought up at an early session of the Paris Chamber of Commerce.

"The President is right," he declared, "the whole trouble in the past has been that whenever there has been a question of obtaining a just revision of the various tariffs it was never known just to whom to apply. Correspondence has been lost traveling from office to office, and when it finally reached its proper destination we have found that laws have been in full force and vigor for several months. If the power of the Tariff Commission is extended to include the revision of rates to meet mutual necessities it will be a big step toward a settlement of commercial differences and certainly will result in a more rapid return to normalcy in international relations."

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English Tan Cape  
CROSS  
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## ACTION IS DEFERRED ON FLEXIBLE TARIFF

Harding's Suggestions Well  
Received by Many G. O. P.  
Congress Members.

WASHINGTON, Dec. 7.—President Harding's suggestions for flexible tariff rates and a provision for proclaimed American valuation apparently have been well received by many of the Republican members of Congress charged with the drafting of tariff legislation, but a formal decision on them by the Senate Finance Committee is likely to be deferred until the actual rewriting of the House tariff measure is started, probably next month.

Chairman Penrose of the Senate committee plans to confer soon with the leading Republicans of the House Ways and Means Committee regarding the subject. He said to-day he had heard much favorable comment on the President's suggestions, adding that he and other members of the committee had

discussed the proposals with the Executive before they were presented to Congress by Mr. Harding yesterday. Senator Penrose expressed the opinion that careful thought would have to be given to the manner of delegating authority to the President to change the rates, or proclaim American valuation as the basis for assessing duties as changing conditions might warrant. Amendments to the House bill proscribing the means of making the grant of authority already have been proposed by Senator Smoot of Utah, a member of the committee, and these were given study to-day by members of the committee as well as other Senators and by some members of the House.

Hearings on the House measure were resumed to-day by the Senate committee under a schedule which will keep it in session almost every day from now until the Christmas holidays. The tobacco schedule occupied the committee to-day, and to-morrow it will take up cotton manufactures.

## WOULD EXTEND WAR FINANCE.

WASHINGTON, Dec. 7.—The War Finance Corporation would have authority to make loans until July 1, 1922, under a bill introduced to-day by Representative Young, Republican, North Dakota. Under existing law powers of the corporation to make advances automatically expire next July 1.

## AMERICAN VALUATION OPPOSED BY WOMEN

Consumers Committee Fears  
Price Boosting.

Mrs. Henry Moskowitz, secretary of the Consumers' Committee of Women Opposed to American Valuation, said yesterday the organization was continuing its fight against the valuation proposals of the Fordney tariff bill. The Legislative Chairman of the General Federation of Women's Clubs, she said, has sent letters to women's clubs and to women's grange and labor organizations throughout the country urging them to protest against the plan because high prices to the consumer will follow its adoption and profiteers will reap the benefit.

Mrs. Moskowitz said the Joint Congressional Legislative Committee of Women at Washington, representing fourteen large women's organizations, now has the matter under consideration. Mrs. Moskowitz's committee consists of the following women: Mrs. Richard Aldrich, Mrs. John B. Andrews, Mrs. Gordon Auchincloss, Mrs. Harmon S. August, Mrs. Linzee Blagden, Mrs. John Blair, Mrs. Raymond Brown, Mrs. Carrie

Chapman Catt, Mrs. Henry Sloane Coffin, Mrs. Joseph Griswold Deane, Mrs. Abram I. Elkus, Mrs. Greenville Emmet, Miss Virginia D. Furman, Dean Virginia Gilderleeve, Mrs. William H. Good, Mrs. Learned Hand, Mrs. William Henry Hays, Mrs. Raymond V. Ingersoll, Mrs. Pierre Jay, Mrs. Helen Hartley Jenkins, Mrs. James Lees Laidlaw, Miss Florida Lasker, Mrs. Howard Mansfield, Mrs. Marcus M. Marks, Miss Florence M. Marshall, Mrs. William Fellows Morgan, Miss Frances Perkins, Mrs. John T. Pratt, Mrs. George Haven Putnam, Mrs. Allan Appleton Robbins, Mrs. Julius Rosewald, Mrs. Charles C. Rumsey, Mrs. H. P. Russell, Mrs. Arthur H.

Scribner, Mrs. Frank J. Shuler, Mrs. Alfred E. Smith, Mrs. Charles Bennett Smith, Mrs. William Sparborg, Miss Ethel Stebbins, Mrs. Jesse Isidor Straus, Mrs. Joseph R. Swan, Miss Ida M. Tarnell, Mrs. C. E. Tiffany, Mrs. George R. Van Namee, Mrs. W. H. Wadhams and Mrs. Frederick H. Whitin.

## A. E. F. INQUIRY TO-DAY.

Senate Board to Take Up Execution Charged by Watson.  
WASHINGTON, Dec. 7.—The special Senate committee appointed to investi-

gate charges of illegal executions in the A. E. F. is scheduled to begin its inquiry to-morrow into the allegations laid before the Senate at the extra session by Senator Watson of Georgia.

Members of the committee said they were prepared to go ahead with the investigation and that the War Department had been asked to furnish such data as it had bearing on the cases mentioned by Mr. Watson. The latter informed the committee to-day that he was ready to "render such assistance" as he could in getting the facts before the committee.

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An artistic lamp with a graceful swing arm that can be raised or lowered and gives a splendid light for the bridge game.

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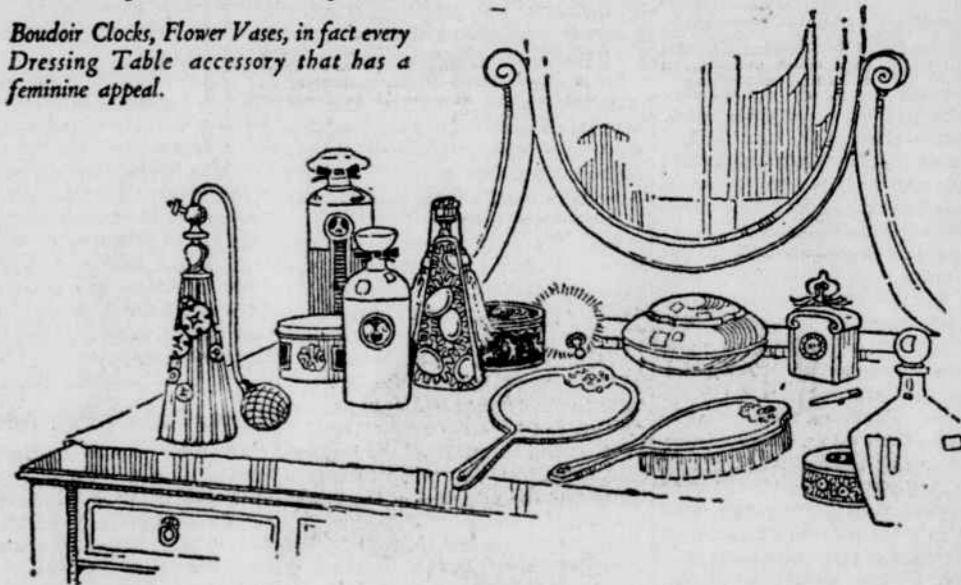
### ATOMIZERS—That Make Well Chosen Gifts

Atomizers from pocket to dressing table size, in fancy or colored glass, with gold overlay, hand-painted or cut glass, rock crystal, Dresden china, and many other original conceptions, including new types of French Pump atomizers. Also Electric Perfume Burners.

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Average sizes 9x12 feet.

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## THE STORY OF REVILLON FURS



## An Eskimo Patriarch

A pure white haired Eskimo is seldom seen. The subject of this picture is probably about 90. The ages of Eskimos are not recorded but they can be estimated by white men familiar with the history of the North. Like old people everywhere, Eskimos tell long stories of the events of the past and among them are tales of shipwrecks, famines, epidemics and the like of which the dates are well established. By comparing the Eskimo's recollections with these dates his age can be approximated fairly well.

No. 23—Life in the North

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